

**STATE RISK MANAGEMENT WORKERS COMPENSATION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006**

	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Month		Market Value	Allocation	Month		FYTD	FY06	Ended	Ended
		Actual	Policy	Net ROR	Net ROR				Net ROR				Net ROR	Net	Net	6/30/2006	6/30/2006
<b>LARGE CAP DOMESTIC EQUITY</b>																	
<i>Structured Growth</i>																	
Los Angeles Capital	157,718	4.0%	4.2%	1.60%	3.26%	148,251	3.8%	4.2%	2.18%	141,381	3.7%	4.2%	-3.70%	1.60%	11.12%	N/A	N/A
<b>Total Structured Growth</b>	<b>157,718</b>	<b>4.0%</b>	<b>4.2%</b>	<b>1.60%</b>	<b>3.26%</b>	<b>148,251</b>	<b>3.8%</b>	<b>4.2%</b>	<b>2.18%</b>	<b>141,381</b>	<b>3.7%</b>	<b>4.2%</b>	<b>-3.70%</b>	<b>1.60%</b>	<b>11.12%</b>	<b>N/A</b>	<b>N/A</b>
Russell 1000 Growth				3.94%	2.75%				3.12%				-1.90%	3.94%	6.12%	N/A	N/A
<i>Structured Value</i>																	
LSV	173,783	4.4%	4.2%	4.90%	1.86%	165,561	4.3%	4.2%	0.96%	159,836	4.2%	4.2%	2.02%	4.90%	15.05%	N/A	N/A
Russell 1000 Value				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	N/A	N/A
<i>Russell 1000 Enhanced Index</i>																	
LA Capital	314,595	8.0%	8.3%	3.71%	2.73%	297,229	7.7%	8.3%	2.09%	283,740	7.5%	8.3%	-1.11%	3.71%	11.58%	N/A	N/A
Russell 1000				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																	
Westridge	335,928	8.6%	8.3%	5.75%	2.60%	356,910	9.3%	8.3%	2.41%	339,611	9.0%	8.3%	0.65%	5.75%	8.77%	N/A	N/A
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<i>Index</i>																	
State Street	116,697			5.78%	2.76%	110,252			2.06%	105,232			0.85%	5.78%	9.51%	N/A	N/A
<b>Total Index</b>	<b>116,697</b>	<b>3.0%</b>	<b>2.8%</b>	<b>5.78%</b>	<b>2.76%</b>	<b>110,252</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.06%</b>	<b>105,232</b>	<b>2.8%</b>	<b>2.8%</b>	<b>0.85%</b>	<b>5.78%</b>	<b>9.51%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>1,098,721</b>	<b>28.1%</b>	<b>27.8%</b>	<b>4.49%</b>	<b>2.66%</b>	<b>1,078,204</b>	<b>28.0%</b>	<b>27.8%</b>	<b>2.02%</b>	<b>1,029,800</b>	<b>27.2%</b>	<b>27.8%</b>	<b>-0.24%</b>	<b>4.49%</b>	<b>10.95%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<b>SMALL CAP DOMESTIC EQUITY</b>																	
<i>Manager-of-Managers</i>																	
SEI	361,694	9.2%	9.3%	-0.01%	1.39%	360,478	9.3%	9.3%	2.29%	332,902	8.8%	9.3%	-3.59%	-0.01%	13.58%	N/A	N/A
Russell 2000 + 200bp				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>361,694</b>	<b>9.2%</b>	<b>9.3%</b>	<b>-0.01%</b>	<b>1.39%</b>	<b>360,478</b>	<b>9.3%</b>	<b>9.3%</b>	<b>2.29%</b>	<b>332,902</b>	<b>8.8%</b>	<b>9.3%</b>	<b>-3.59%</b>	<b>-0.01%</b>	<b>13.58%</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	N/A	N/A
<b>DOMESTIC FIXED INCOME</b>																	
<i>Core Bond</i>																	
Western Asset	806,190	20.6%	20.7%	4.45%	0.90%	806,880	20.9%	20.7%	1.81%	800,252	21.1%	20.7%	1.67%	4.45%	-0.90%	N/A	N/A
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	N/A	N/A
<i>Core Plus/Enhanced</i>																	
Clifton Group	185,957	4.8%	4.8%	N/A	1.09%	183,769	4.8%	4.8%	1.49%	182,782	4.8%	4.8%	N/A	N/A	N/A	N/A	N/A
Prudential	183,881	4.7%	4.8%	N/A	1.42%	181,887	4.7%	4.8%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>369,837</b>	<b>9.5%</b>	<b>9.6%</b>	<b>N/A</b>	<b>1.25%</b>	<b>365,656</b>	<b>9.5%</b>	<b>9.6%</b>	<b>1.49%</b>	<b>182,782</b>	<b>4.8%</b>	<b>4.8%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%				
<i>Index</i>																	
Bank of ND	354,587	9.1%	9.0%	3.10%	0.92%	350,972	9.1%	9.0%	1.05%	530,341	14.0%	13.8%	1.09%	3.10%	-1.14%	N/A	N/A
Lehman Gov/Credit (1)				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>																	
Wells Capital (formerly Strong)	805,972	20.6%	20.7%	4.60%	1.06%	805,423	20.9%	20.7%	1.97%	797,615	21.1%	20.7%	1.50%	4.60%	-2.11%	N/A	N/A
Lehman US Credit BAA				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,336,586</b>	<b>59.7%</b>	<b>60.0%</b>	<b>4.28%</b>	<b>1.01%</b>	<b>2,328,932</b>	<b>60.4%</b>	<b>60.0%</b>	<b>1.76%</b>	<b>2,310,989</b>	<b>61.0%</b>	<b>60.0%</b>	<b>1.45%</b>	<b>4.28%</b>	<b>-1.39%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate (2)				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	N/A	N/A
<b>CASH EQUIVALENTS</b>																	
<i>Bank of ND</i>																	
90 Day T-Bill	115,196	2.9%	3.0%	1.35%	0.42%	88,000	2.3%	3.0%	0.47%	113,662	3.0%	3.0%	0.45%	1.35%	4.50%	N/A	N/A
				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	N/A	N/A
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,912,197</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.87%</b>	<b>1.49%</b>	<b>3,855,614</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.84%</b>	<b>3,787,352</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.50%</b>	<b>3.87%</b>	<b>3.25%</b>	<b>N/A</b>	<b>N/A</b>
POLICY TARGET BENCHMARK				3.94%	1.33%				1.87%				0.69%	3.94%	3.37%	N/A	N/A

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.